

SENIOR INTERDEPARTMENTAL GROUP-INTERNATIONAL ECONOMIC POLICY

February 28, 1983
4:30 p.m.
Roosevelt Room

Not referred to DOC. Waiver applies.

Attendees:

<u>Treasury</u> Secretary Regan Marc Leland	<u>Energy</u> George Bradley John Brodman
<u>Office of Vice President</u> Admiral Daniel Murphy	<u>CEA</u> Martin Feldstein Geoffrey Carliner
<u>State</u> Secretary Shultz W. Allen Wallis	<u>OMB</u> Alton Keel
<u>Defense</u> Richard Perle Steve Bryen	<u>OPD</u> Edwin L. Harper
<u>Agriculture</u> Secretary Block	<u>Justice</u> Jonathan Rose Michael Shepherd Richard Cinquerana
<u>Commerce</u> Secretary Baldrige Lionel Olmer Michael Zacharia	<u>NSC</u> Norman Bailey, Executive Secretary Henry Nau William Martin
<u>CIA</u> Henry Rowen Maurice Ernst	

NSSD-9 on U.S. and International Energy Security

The Chairman asked Henry Nau of the National Security Council staff to introduce the results of NSSD-9 -- an interagency study on energy security and preparedness. Mr. Nau reviewed the four major parts of the report -- projections of world energy supply and demand, energy disruption scenarios, economic problems resulting from disruptions, and military effects. Based on this analysis, several policy conclusions were drawn. First, it is essential to strengthen the market place during non-crisis periods. Secondly, the market should be the first and foremost defense during times of disruptions, although it may ultimately have to be supplemented through supply enhancement, use of SPR and possible recycling of revenues. Third, an interagency process for discussing these issues has been established which can be used to respond flexibly to supply disruption situations. The SIG-IEP approved the report.

NSC review completed.

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Export Administration Act

The Chairman then asked Under Secretary Lionel Olmer to introduce the discussion of the Export Administration Act. Mr. Olmer noted that the Under Secretaries' group had reduced the number of items for SIG-IEP consideration from forty-three to seven. Due to time limitations, it was not possible to have a full discussion on the critical items. The Chairman asked that comments be given to Norman Bailey within two days, after which Commerce would be responsible for preparing a summary of conclusions. OMB noted that it is important that testimony on this issue be carefully coordinated. The Chairman noted the sensitive nature of these deliberations and urged members not to disclose prematurely the Administration's position to the press or business community. Mr. Olmer agreed to distribute for the group decisions that had already been taken by the Under Secretaries group as well as a listing of the issues that still remain to be dealt with.

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